



**MASSACHUSETTS
DEPARTMENT OF REVENUE**
Geoffrey E. Snyder, Commissioner

The Department of Revenue (DOR) report on year-to-date net state tax revenue for the current fiscal year, a projection of net state tax revenue for the remainder of the current fiscal year, and a projection of if, and when, net state tax revenue may exceed allowable state tax revenue for the current fiscal year.
August 2024 Monthly 62F Report

Mr. Steven T. James, House Clerk
Office of the Clerk of the House
State House, Room 145
Boston, MA 02133

Mr. Michael D. Hurley, Senate Clerk
Office of the Clerk of the Senate
State House, Room 335
Boston, MA 02133

The Honorable Mark J. Cusack, Chair
Joint Committee on Revenue
State House, Room 34
Boston, MA 02133

The Honorable Susan L. Moran, Chair
Joint Committee on Revenue
State House, Room 312-D
Boston, MA 02133

The Honorable Aaron M. Michlewitz, Chair
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

The Honorable Michael J. Rodrigues, Chair
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Dear Clerks James and Hurley and Chairs Cusack, Moran, Michlewitz and Rodrigues,

Pursuant to Section 5 of Chapter 62F, as amended by the Acts of 2023, the Department of Revenue (DOR) hereby submits its August, 2024 report on year-to-date net state tax revenue for the current fiscal year, an estimate of net state tax revenue for the remainder of the current fiscal year, and an estimate of if, and when, net state tax revenue may exceed allowable state tax revenue for the current fiscal year.

Based on DOR's estimates of FY25 full fiscal year net state tax revenue and FY25 allowable state tax revenue, the Department currently projects FY25 full fiscal year net state tax revenue will not exceed FY25 allowable state tax revenue. DOR's estimates are based on currently available data and are subject to revisions as additional data becomes available.

Pursuant to subsection (d) of section 2BBBBBB of section 17 of chapter 29, 4% income surtax revenue shall not be subject to the allowable state tax revenue limitations established by chapter 62F.

Report Highlights

August 31, 2024	year-to-date net state tax revenue excluding 4% income surtax revenue:	5,344,111,305
	DOR's estimate of full year FY25 total net state tax revenue:	41,124,232,231
	DOR's estimate of FY25 allowable net state revenue:	46,034,549,029
	DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(4,910,316,798)

If you have questions, please contact Tim Rooney, DOR CFO (rooneyt@dor.state.ma.us).

Sincerely,

Timothy Rooney
Chief Financial Officer
Department of Revenue

cc:

Geoffrey Snyder, Commissioner, Department of Revenue
Kristin Lindquist, Senior Deputy Commissioner, Department of Revenue
Matthew Gorzkowicz, Secretary, Executive Office for Administration and Finance
Cassandra Roeder, Associate General Counsel, Executive Office for Administration and Finance
Dana Sullivan, Chief of Strategy and Operations, Executive Office for Administration and Finance
Christopher Marino, Assistant Secretary of Budget, Executive Office for Administration and Finance
John Caljouw, Finance Director, Executive Office for Administration and Finance
William McNamara, Comptroller, Office of the Comptroller
Kristin Lacroix, Chief Accounting Officer, Office of the Comptroller

Summary Statement

DOR Monthly Report on Fiscal Year 2025 Net State Tax Revenue and Allowable State Tax Revenue
as Defined by Chapter 62F
August 2024 Monthly 62F Report

Year-to-Date Net State Tax Revenue

Year-to-date net state tax revenue for FY25, less 4% income surtax revenue as of	August 31, 2024 ⁽¹⁾ (Exhibit 1)	\$5,344,111,305
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Full Fiscal Year Net State Tax Revenue and Allowable State Tax Revenue Estimates

Estimate of total net state tax revenue for FY25, less 4% income surtax revenue ⁽¹⁾ (Exhibit 4)		\$41,124,232,231
Allowable state tax revenue for FY24 (Exhibit 3)		\$44,130,782,381
Estimate of allowable state tax revenue growth factor for FY25 (Exhibit 2)		1.0431392
Estimate of allowable state tax revenue for FY25 (Exhibit 3)		\$46,034,549,029
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY25 ⁽²⁾ (Exhibit 4)		<u><u>(\$4,910,316,798)</u></u>

1) Pursuant to subsection (d) of section 2BBBBBB of section 17 of chapter 29, 4% income surtax revenues shall not be subject to the allowable state tax revenue limitations established by chapter 62F.

2) Per M.G.L Chapter 62F, the State Auditor shall annually on or before the third Tuesday of September, independently determine whether net state tax revenues for the immediately preceding fiscal year exceeded the allowable state tax revenues for said fiscal year.

Exhibit 1
DOR Report: Fiscal Year-to-Date Net State Tax Revenues

August 2024 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 8/31/2024
Department of Revenue:	
Alcoholic Beverages	19,427,071
Financial Institutions	1,659,827
Cigarettes	59,324,056
Corporations	207,391,144
Deeds	27,955,143
Estate and Inheritance	91,178,583
Income	2,996,462,359
Insurance	16,270,631
Motor Fuels and International Fuel Tax Agreement	122,613,374
Public Utilities	0
Room Occupancy	130,132,384
Sales and Use	1,649,684,487
Club Alcoholic Beverages	51,733
Motor Vehicle Excise	51,522
Convention Center Surcharges	4,412,698
Community Preservation Trust	8,604,170
Controlled Substances and Marijuana Excise	24,216,897
Satellite	733,791
Statewide Car Rental	1,451,865
Electronic Nicotine Delivery System	2,939,981
Department of Revenue Before the Reduction of 62F Payments	5,364,561,714
Pari-Mutual Taxes	121,386
Gaming Revenue Tax	67,878,431
Lottery Commission:	
Beano	70,000
Raffles and Bazaars	112,872
State Athletic Commission	
Boxing Contests	8,159
Boxer's Fund	2,034
Division of Insurance	
Excess and Surplus Lines Insurance	17,933
Secretary of State:	
Deeds Excise Stamp Tax Fees	18,649,016
Department of Unemployment Assistance:	
Workforce Training Contribution	4,408,813
Other Agencies Sub-Total	91,268,644
Total Net State Tax Revenue Before the Reduction of 62F Payments	5,455,830,358
Less:	
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(111,719,053)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	5,344,111,305

1) Pursuant to subsection (d) of section 2BBBBBB of section 17 of chapter 29, 4% income surtax revenues shall not be subject to the allowable state tax revenue limitations established by chapter 62F.

2) Pursuant to Section 20 of Chapter 28 of the 2023 Acts, the Department of Revenue (DOR) is required to certify to the State Comptroller, after each quarterly period during the fiscal year, the amount of tax revenues estimated to have been due to the additional 4% income tax levied pursuant to Article XLIV of the Amendments of the Constitution of the Commonwealth. For the purpose of surtax certification, quarterly periods are defined as July 1 to September 30, inclusive, October 1 to January 31, inclusive, February 1 to April 30, inclusive, and May 1 to June 30, inclusive. DOR estimates that the tax revenues collected from the 4% income tax was \$111,719,053 during the period between July 2024 and August 2024. This is not a certified estimate and is subject to revision in future certification periods as DOR further analyzes tax data.

Exhibit 2
DOR Estimate of the Allowable State Tax Growth Factor
For the Fiscal Year Ending June 30, 2025
August 2024 Monthly 62F Report

Calendar Year	Massachusetts Wages and Salaries ⁽¹⁾ (in Thousands)	Wages and Salaries Yearly Growth Rate ⁽²⁾
2021 Actual	\$312,471,740	
2022 Actual	\$333,155,998	1.0661956
2023 Actual	\$344,029,483	1.0326378
2024 Estimate	\$354,551,384	1.0305843
Estimate of the Sum of 2022 - 2024 calendar year growth increase		3.1294177
Estimate of the allowable state tax growth factor for FY25⁽³⁾		1.0431392

1) Source:

i) Actual: US Department of Commerce, Bureau of Economic Analysis, Regional Income Division, Washington, D.C. (pursuant to Section 2 of Chapter 62F).

ii) Estimate: based on a combination of US Department of Commerce, Bureau of Economic Analysis, Regional Income Division, Washington, D.C. quarterly wage and salary data and wage and salary growth projections provided by S&P Global Market Intelligence and Moody's Analytics.

2) Wage and salary yearly growth rates are calculated by dividing each calendar year's wages and salaries by those of the previous calendar year.

3) The allowable state tax growth factor equals one-third of the sum of the yearly growth rates for each of the three calendar years ending immediately prior to the current fiscal year.

Note Chapter 62F requires that, in calculating the allowable state tax growth factor for any fiscal year, the same total for Massachusetts wages and salaries for a calendar year utilized in prior calculations involving that calendar year shall be utilized in subsequent calculations involving that calendar year, notwithstanding periodic adjustments by the Bureau of Economic Analysis.

Exhibit 3
DOR Estimate of Allowable State Tax Revenues
for the Fiscal Year Ended June 30, 2025
August 2024 Monthly 62F Report

Allowable state tax revenue for the FY24 ⁽¹⁾	\$44,130,782,381
Estimate of allowable state tax growth factor for the FY25	1.0431392
Estimate of allowable state revenue for the FY25	<u>\$46,034,549,029</u>

1) As defined in Section 2 of Chapter 62F of the Massachusetts General Laws, “allowable state tax revenues” for a fiscal year means the following: beginning after June 30, 1986, an amount equal to the greater of the allowable state tax revenues for the immediately preceding fiscal year multiplied by the allowable state tax growth for the current year, or in any case no less than the allowable state tax revenues for the preceding fiscal year.

Exhibit 4

Estimate of Net State Tax Revenue for Current Fiscal Year and if Net State Tax Revenue Will Exceed Allowable State Tax Revenue for the Current Fiscal Year.
August 2024 Monthly 62F Report

Fiscal Year-to-Date of Net State Tax Revenues Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 8/31/2024	DOR Estimate of Year-to-Date Net State Tax Revenue for the Remainder of Fiscal Year 2025											
		Sep-24	Oct-24	Nov-24	Dec-24	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24		
Department of Revenue:													
Alcoholic Beverages	19,427,071	28,050,454	36,730,728	45,216,737	54,039,271	62,866,684	68,130,890	75,027,899	83,514,510	90,147,069	98,979,880		
Financial Institutions	1,659,827	5,812,938	6,243,915	6,597,454	9,496,848	10,000,671	10,368,373	15,833,352	18,835,830	19,135,198	22,942,816		
Cigarettes	59,324,056	86,177,016	118,443,392	144,334,587	172,732,552	201,052,147	223,413,014	245,658,889	272,283,960	298,430,994	325,565,153		
Corporations	207,391,144	1,039,180,184	1,125,496,529	1,196,303,669	1,776,997,039	1,877,903,088	1,951,546,709	3,046,077,746	3,647,416,863	3,707,374,526	4,469,967,793		
Deeds	27,955,143	50,630,869	70,168,027	92,218,574	110,907,107	132,387,713	145,623,335	158,216,652	175,293,536	194,967,564	235,148,706		
Estate and Inheritance	91,178,583	134,309,263	176,461,340	212,392,275	252,964,710	290,148,190	318,144,950	364,079,370	407,740,657	451,822,198	500,610,993		
Income	2,996,462,359	5,547,963,891	7,162,479,449	8,524,685,761	10,901,335,980	13,379,085,501	14,377,690,822	16,336,277,241	20,349,128,795	21,744,034,439	24,306,372,982		
Insurance	16,270,631	115,439,968	125,730,960	134,172,881	203,405,551	215,435,989	224,216,087	354,710,614	426,404,756	433,553,157	524,472,687		
Motor Fuels and International Fuel Tax Agreement	122,613,374	186,783,594	246,930,095	308,827,272	369,168,290	428,703,173	486,024,912	540,388,449	598,948,132	657,634,779	721,513,327		
Public Utilities	0	27,710	30,586	32,945	52,290	55,652	58,105	94,569	114,602	116,599	142,004		
Room Occupancy	130,132,384	172,407,612	212,220,395	221,090,542	232,558,560	235,826,226	251,015,003	276,004,225	304,890,738	338,695,130	340,022,301		
Sales and Use	1,649,684,487	2,498,188,275	3,352,439,235	4,117,894,600	4,988,633,959	5,922,196,049	6,625,952,625	7,353,725,173	8,198,279,301	9,021,578,787	9,882,011,485		
Club Alcoholic Beverages	51,733	110,871	178,591	234,698	298,491	363,789	423,076	479,281	556,191	608,267	696,825		
Motor Vehicle Excise	51,522	98,484	152,262	196,818	247,476	299,330	346,411	391,044	452,120	493,475	563,800		
Convention Center Surcharges	4,412,698	5,380,148	6,347,597	7,315,047	8,282,496	9,249,946	10,217,395	11,184,845	12,152,294	13,119,743	14,087,193		
Community Preservation Trust	8,604,170	14,603,014	19,811,501	25,532,823	30,409,877	36,031,073	39,669,258	42,914,994	47,326,556	52,690,679	63,711,271		
Controlled Substances and Marijuana Excise	24,216,897	36,135,490	49,810,163	61,231,152	74,163,294	87,439,301	99,433,723	110,839,517	126,389,740	136,935,518	154,891,497		
Satellite	733,791	1,057,275	1,427,706	1,734,617	2,083,565	2,440,745	2,765,049	3,072,491	3,493,196	3,778,053	4,262,467		
Statewide Car Rental	1,451,865	2,548,491	3,698,917	4,776,550	5,902,358	7,037,599	8,135,163	9,213,405	10,421,445	11,473,804	12,754,855		
Electronic Nicotine Delivery System	2,939,981	4,386,667	6,043,303	7,415,870	8,976,435	10,573,812	12,024,161	13,399,102	15,280,573	16,554,511	18,720,904		
Department of Revenue Before the Reduction of 62F Payments	5,364,561,714	9,929,292,216	12,720,844,690	15,112,004,871	19,202,656,152	22,909,096,678	24,855,199,060	28,957,588,855	34,698,923,795	37,192,844,490	41,697,438,940		
Massachusetts Gaming Commission:													
Pari-Mutuel Taxes	121,386	215,085	308,784	402,483	496,182	589,881	683,580	777,279	870,978	964,677	1,058,376		
Gaming Revenue Tax	67,878,431	111,126,608	154,374,785	197,622,962	240,871,139	284,119,316	327,367,493	370,615,670	413,863,847	457,112,024	500,360,202		
Lottery Commission:													
Beano	70,000	100,490	135,405	164,334	197,224	230,890	261,458	290,436	330,090	356,940	402,599		
Raffles and Bazaars	112,872	225,271	353,981	460,621	583,223	707,330	820,013	928,193	1,074,372	1,173,349	1,343,020		
State Athletic Commission													
Boxing Contests	8,159	44,843	81,527	118,211	154,895	191,580	228,264	264,948	301,632	338,316	375,000		
Boxer's Fund	2,034	9,330	16,627	23,923	31,220	38,517	45,813	53,110	60,407	67,703	75,000		
Division of Insurance													
Excess and Surplus Lines Insurance	17,933	3,045,610	3,046,639	3,046,898	5,745,554	5,807,284	79,304,303	85,526,636	86,072,001	86,251,736	86,578,737		
Secretary of State:													
Deeds Excise Stamp Tax Fees	18,649,016	28,465,806	37,140,220	46,078,997	53,806,847	62,773,236	69,243,703	74,230,797	81,048,972	88,804,576	109,940,993		
Department of Unemployment Assistance:													
Workforce Training Contribution	4,408,813	4,531,434	4,848,401	7,547,918	7,783,620	8,315,702	10,094,307	10,269,659	11,749,106	26,386,465	26,659,365		
Other Agencies Sub-Total	91,268,644	147,764,478	200,306,369	255,466,349	309,669,906	362,773,735	488,048,935	542,956,729	595,371,405	661,455,787	726,793,291		
Total Net State Tax Revenue Before the Reduction of 62F Payments	5,455,830,358	10,077,056,694	12,921,151,059	15,367,471,219	19,512,326,058	23,271,870,414	25,343,247,995	29,500,545,584	35,294,295,200	37,854,300,277	42,424,232,231		
Less:													
Estimate of 4% Income Surtax Revenues ⁽¹⁾⁽²⁾	(111,719,053)	(234,213,347)	(341,499,070)	(399,880,278)	(472,063,203)	(595,191,302)	(641,329,822)	(699,819,549)	(1,103,960,524)	(1,158,078,821)	(1,300,000,000)		
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	5,344,111,305	9,842,843,347	12,579,651,989	14,967,590,941	19,040,262,855	22,676,679,112	24,701,918,173	28,800,726,036	34,190,334,675	36,696,221,456	41,124,232,231		
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029	46,034,549,029		
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽¹⁾	(40,690,437,724)	(36,191,705,682)	(33,454,897,040)	(31,066,958,087)	(26,994,286,174)	(23,357,869,917)	(21,332,630,855)	(17,233,822,993)	(11,844,214,353)	(9,338,327,573)	(4,910,316,798)		

1) For the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

2) Pursuant to subsection (d) of section 2B8888B of section 17 of chapter 29, 4% income surtax revenues shall not be subject to the allowable state tax revenue limitations established by chapter 62F.

3) Pursuant to Section 20 of Chapter 28 of the 2023 Acts, the Department of Revenue (DOR) is required to certify to the State Comptroller, after each quarterly period during the fiscal year, the amount of tax revenues estimated to have been due to the additional 4% income tax levied pursuant to Article XLIV of the Amendments of the Constitution of the Commonwealth. For the purpose of surtax certification, quarterly periods are defined as July 1 to September 30, inclusive, October 1 to January 31, inclusive, February 1 to April 30, inclusive, and May 1 to June 30, inclusive. DOR estimates that the tax revenues collected from the 4% income tax was \$111,719,053 during the period between July 2024 and August 2024. This is not a certified estimate and is subject to revision in future certification periods as DOR further analyzes tax data.

4) Per M.G.L. Chapter 62F, the State Auditor shall annually on or before the third Tuesday of September, independently determine whether net state tax revenues for the immediately preceding fiscal year exceeded the allowable state tax revenues for said fiscal year.